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SUBJECT: UNIDO Formally Invites U.S. to December General Conference

REF: A) SECSTATE 84998 B) UNVIE VIENNA 0622  
C) UNVIE VIENNA 0199 D) Amadeo-Huskey Email 8/26

11. Summary. Attending the UN Industrial Development Organization (UNIDO) 2009 bi-annual General Conference as an official observer, while demonstrating U.S. interest in learning more about the organization's work, is procedurally straightforward, involving a simple registration form and a nameplate in the observer section of the hall. UNIDO officials we spoke to were pleased to convey the requested administrative information but were also eager to provide background information on the organization's governance improvement and substantive objectives. In light of our renewed dedication to multilateral diplomacy and seeking to engage with member states in a variety of venues, UNVIE recommends we consider sending working-level observers (UNVIE action officers) to the 2009 General Conference to observe and report, but we should also seek continued opportunities for more senior level engagement with UNIDO leadership, even as we reiterate that the U.S. is unlikely to rejoin any time soon. Ambassador Davies will do so in an introductory call with DG Yumkella later this fall. End summary.

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General Conference Dynamics  
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12. Per Ref a action request, UNVIE officers met with UNIDO officials to better understand the process related to UNIDO's general conferences. According to Barbara Singer, External Relations Officer with the Policymaking Organs Secretariat, UNIDO convenes its general conferences every two years. Its 13th General Conference is scheduled to run from December 7-11, 2009. Singer reported that the theme of this year's conference is "Greening Industry for Global Recovery and Growth," and that the conference would consist of three simultaneous events: a Plenary, a Main Committee, and Roundtables.

13. The Plenary officially opens the conference, explained Singer, and is devoted to traditional "general debate" (i.e., delegations need not only speak on the official theme). Singer reported that some heads of state, predominately from developing countries, attend the Plenary and many countries send ministerial-level representation. Singer noted that in order to better focus this year's conference, UNIDO has introduced two forums to the proceedings, one on "Global Economic Slowdown: the Impact on Manufacturing," and the other on "Global Economic Recovery: Seizing Opportunities for Greening Industries." Singer confirmed that CNN's Todd Benjamin will host the event and many experts have been invited to attend, including Jeffrey Sachs.

14. Running simultaneously to the Plenary is the Main Committee, where delegations raise and negotiate draft resolutions. Lastly, added Singer, throughout the week roundtables are held, the topics of which are regionally focused; for example, bio-fuels in Africa, and investment in "green" business in the Middle East.

15. Singer provided UNVIE with a formal letter from UNIDO Director General Yumkella, inviting A/S Brimmer to attend the event (Ref d). According to Singer, U.S. "registration" as an observer is straightforward; the U.S. will receive a note verbale which will explain the registration process and request the names of U.S. participants, in writing, by October 30. The U.S. would be seated with other observers to UNIDO, including the Holy See, Palestine, and Malta. The U.S., as an observer, could speak on any issue "of direct concern." Such requests to speak are brought to the Chairman of the Plenary or President of the Main Committee.

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Officials Enthusiastically  
Sell UNIDO  
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On Substance...

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16. UNVIE clearly conveyed to UNIDO officials that our General Conference inquiries were simply informational in nature. Nevertheless, they enthusiastically provided further background information on the organization's situation. For example, emphasizing UNIDO's strategic re-prioritization of goals into three main areas, poverty reduction, trade capacity building, and energy and the environment, Agerico Lacanlale, Director of Strategic

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Planning and Coordination, stressed that the organization was focused on development in the global economy and was targeting the growth of infrastructure and industry standards in post-conflict countries (Refs b and c). Lacanlale stressed that UNIDO programs were aimed at promoting small- and medium-sized enterprises. UNIDO officials sought to portray the organization as a streamlined economic development assistance agency, focused on achieving real results on the ground. For example, noted Lacanlale, a UNIDO program (with USAID assistance) in Ethiopia assisted female entrepreneurs in building a leather handbag industry, from design, to production, to marketing. According to Lacanlale, some of these handbags are now sold in designer shops in the U.S. Another UNIDO program Lacanlale described involved the refurbishment of used computers in Uganda and working with Microsoft to establish business information centers in the African countryside. Lacanlale added that UNIDO also provided assistance at the national level; for example, UNIDO assists countries in complying with WTO requirements to meet international food quality standards in order to export food products.

17. Morgan Bazilian, the DG's Special Advisor on Climate Change, promoted UNIDO's increasing role in the area of energy development and climate change. DG Yumkella, as chair of the UN Energy and the UN Secretary General's (SYG) Task Force on Climate Change, is playing an ever-increasing role in the UN's response to these related issues, noted Bazilian. Bazilian added that UNIDO was focused on deepening the relationship between industrial development and sustainable energy development.

And Governance

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18. Yoshi Uramoto, Director of Program Coordination, provided an update on the finance and governance issues which had been one of the catalysts for U.S. withdrawal from the organization in 1996. In the intervening 13 years, Uramoto reported, UNIDO staff had been more than halved, from 1400 to 600 persons. He pointed to a recent United Kingdom (UK) assistance agency DFID report on UN management practices which identified UNIDO as one of the best-managed UN agencies, ranking it number 6 out of 28. Further, related Uramoto, the organization has clearly moved away from "old think" state economic philosophy to promotion of a market economy orientation. In fact, Uramoto added, DFID also ranked UNIDO as the second-best UN

agency in working with the private sector. Lacanlale noted that UNIDO was selected to host a UN-wide meeting in April 2010 focused on management and inter-agency coherence, evidence that UNIDO was actually becoming a model of management for other UN agencies.

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Comment  
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19. UNVIE attended the 12th General Conference in 2007, but unofficially, and was not listed as an attendee and was not recognized as an observer. In light of reports of UNIDO's greatly improved management situation, as well as its updated promotion of competitive and sustainable industry, UNVIE recommends we consider officially attending the December 2009 General Conference. UNVIE believes UNVIE working-level participation at the conference would be an appropriate first step but would also ensure that we are keeping our options open with regard to any future UNIDO-specific engagement. An added bonus is that UNVIE participation as an observer would demonstrate the overall priority the U.S. places on multilateral institutions and our interest in engaging with and learning more from these organizations. At the same we should also seek continued opportunities for more senior level engagement with UNIDO leadership, even as we reiterate that the U.S. is unlikely to rejoin anytime soon. Ambassador Davies will do so in an introductory call with DG Yumkella later this fall.

DAVIES